GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:5898
ANSWERED ON:04.05.2005
PRIVATE /FOREIGN PLAYERS IN COAL TRADING
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Will the Minister of COAL be pleased to state:

(a) whether the Government proposes to formulate any scheme to allow private/foreign players in coal trading for revival of coal sector;

(b) if so, the details thereof;

(c) whether any mid-term appraisal of the coal sector is being carried out;

(d) if so, the outcome thereof;

(e) whether the Government proposes to give autonomy to coal companies in order to make them competitive; and

(f) if so, the details thereof?

Answer

MINISTER OF STATE FOR COAL (DR.DASARI NARAYANARAO)

(a) & (b) : To increase coal production in the country and to attract private investment in coal mining sector, the Central Government proposed to amend the Coal Mines (Nationalisation) Act, 1973. Accordingly, the Coal Mines (Nationalisation) Amendment Bill 2000 was introduced in the Rajya Sabha in April, 2000 with the following objectives:

i) To allow Indian companies i.e. companies registered in India to mine coal and lignite without the existing restriction of captive consumption; and
ii) To engage in exploration of coal and lignite resources in the country.

(c) & (d) Yes, Sir. The Planning Commission has undertaken a mid-term appraisal of the coal sector for the X Plan and the Mid Term Appraisal Document containing recommendations for the coal sector is under consideration in the Planning Commission.

(e) & (f) : Coal India Limited and its subsidiary companies already have autonomy in operational matters. Pricing of coal has been completely deregulated by the Central Government with effect from 01.01.2000. Besides this, the Government have taken a decision that all powers exercised by Coal India Limited (CIL) relating to procurement of all items, except procurement of explosives be delegated to its coal producing subsidiaries. The Government have also directed CIL to delegate powers relating to marketing in the non-core sector in case of Mahanadi Coalfields Limited, Western Coalfields Limited and South Eastern Coalfields Limited to the respective subsidiary companies.